



State of New York
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October 15, 2007

By Electronic Mail and Regular Mail

Theodore V. H. Mayer, Esq.
Vilia B. Hayes, Esq.
Robb W. Patryk, Esq.
Hughes Hubbard & Reed LLP
One Battery Park Plaza
New York, New York 10004-1482

Re: *The People of the State of New York, by Andrew M. Cuomo, Attorney General of the State of New York, and The City of New York v. Merck & Co., Inc.*, No. 07 Civ. 8434

Dear Counsel:

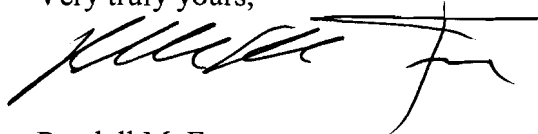
We write concerning Merck's Motion to Stay All Proceedings Pending Transfer Decision by the Judicial Panel on Multidistrict Litigation. In that motion, Merck expresses a concern about what it describes as wasteful and duplicative proceedings that might occur absent a stay. Although we were not consulted prior to filing of the stay motion, we wish to propose a solution to Merck's concerns in the interests of saving time for the parties and the resources of the Court.

Plaintiffs would agree to stipulate to stay all proceedings before the United States District Court for the Southern District of New York other than the motion the State and City expect to file shortly to remand the case to state court. In return, Merck would withdraw its motion to stay. The stipulated stay will remain in effect until the earlier of the Court's decision on the motion to remand or the Judicial Panel on Multidistrict Litigation determines a motion by the State and City to vacate any conditional transfer order. We attach a proposed stipulation along these lines.

Theodore V.H. Mayer, Esq.
Vilia B. Hayes, Esq.
Robb W. Patryk, Esq.
October 15, 2007
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If this stipulation is acceptable, please sign it and return it to me no later than noon on Tuesday, October 16, 2007. I will arrange to have it executed by Plaintiffs and have it filed with the Court.

Very truly yours,

A handwritten signature in black ink, appearing to read "Randall M. Fox", with a long horizontal line extending to the right.

Randall M. Fox
Special Assistant Attorney General
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Enclosure

cc: Heidi Wendel, Esq.
John Low-Beer, Esq.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----	X
THE PEOPLE OF THE STATE OF NEW YORK,	:
by ANDREW M. CUOMO, Attorney General of	:
the State of New York, and THE CITY OF NEW	:
YORK,	:
	:
Plaintiffs,	:
	:
- against -	:
	:
MERCK & CO., INC.,	:
	:
Defendant.	:
-----	X

07 Civ. 8434

STIPULATION PARTIALLY STAYING PROCEEDINGS

WHEREAS, The State of New York (the “State”) and The City of New York (the “City”), filed an action against defendant Merck & Co., Inc. (“Merck”) in the New York State Supreme Court for New York County on or about September 17, 2007; and

WHEREAS, Merck removed that action to the United States District Court for the Southern District of New York on or about September 29, 2007; and

WHEREAS, the State and City intend to file a motion to remand the action to state court on the ground that federal subject matter jurisdiction is lacking; and

WHEREAS Merck intends to seek transfer of this action by the Judicial Panel on Multidistrict Litigation to a previously existing multidistrict proceeding in the Eastern District of Louisiana; and

WHEREAS the State and City intend to oppose transfer to the multidistrict proceeding, including by filing a motion to vacate any conditional transfer order issued by the Judicial Panel on Multidistrict Litigation;

IT IS HEREBY STIPULATED AND AGREED as follows:

1. The State and City shall file their motion to remand on or before September 26, 2007, Merck shall file any papers in opposition no more than ten business days thereafter, and the State and City shall file any reply papers no more than five business days after service of opposition papers. Any such papers shall be served by electronic mail as well as regular mail.
2. With the exception of any papers or proceedings necessary to proceed with the motion to remand, all proceedings herein shall be stayed until the earlier of (a) a decision by the Court on the motion to remand or (b) a decision by the Judicial Panel on Multidistrict Litigation on a motion by the State and City to vacate any conditional transfer order.
3. Merck's Motion to Stay All Proceedings Pending Transfer Decision by the Judicial Panel on Multidistrict Litigation is withdrawn.

Dated: New York, New York
October __, 2007

ANDREW M. CUOMO
Attorney General of the State of New York
Attorney for Plaintiff The State of New
York

Dated: New York, New York
October __, 2007

HUGHES HUBBARD & REED LLP
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Inc.

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SO ORDERED

Hon. George B. Daniels U.S.D.J.

Date